

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY China  
 SUBJECT Regulations Governing Trade Licenses, Canton  
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1.  the following types of trade licenses were in use in Canton:
  - a. License for vendors and street stands
  - b. Trade license for shops and factories
  - c. License for traveling merchants, on mainland only
  - d. License for import-export trade
  - e. License for poultry and cattle dealers.
2. Canton trade licenses were issued only to Canton residents who had resident certificates. The present trade license was recently renamed the "enterprise license".
3. Newly returned overseas Chinese and immigrants after passing a three to six months' investigation by Canton authorities and obtaining their resident certificates could apply for trade licenses. Merchants in Hong Kong and Macao were required to apply for trade licenses through their head offices or branches on the mainland.
4. The procedure for application for a license was as follows:
  - a. Each new factory or shop was first required to fill out a form which contained the name, organization, type of business, amount and source of capital. This form was submitted to the Canton Industry and Commerce Bureau for approval. Pending approval, the Bureau conducted an investigation on the concern involved, to ascertain whether the conditions of the company or concern tallied with those as filled out on the request form. Trade licenses were issued only after the completed form was investigated and approved by the Bureau.

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- b. Import-export licenses were issued by the Canton Foreign Trade Bureau. Prior to issuance, however, the applicant, must have opened a shop or factory in Canton with an approved trade license issued by competent authority.
  - c. Vendor's licenses were required to be submitted to the District Office following recommendation of the Vendor's Union.
  - d. Shops and factories in operation previously were required to follow the same procedure when applying for their licenses.
5. The licenses were valid only in the area where the license was issued. Vendors were required to do business in their designated districts. Street stands were required to be placed in the exact spot as shown on the license. Licenses for traveling merchants were valid only in designated areas.
  6. The Industry and Commerce Bureau was authorized to inspect trade licenses. The Public Security Bureau also had the ~~same~~ authority. Inspectors were sent by this section to all enterprises to check on whether the business being conducted was exactly what it was supposed to be.
  7. Trade licenses were required to be renewed yearly. Application for new licenses were submitted to the Industry and Commerce Bureau. Old licenses became null and void after issuance of new ones. A license for traveling merchants was required to be renewed every three months.
  8. To conduct a legitimate business, an individual was required to join the Union of Industries and Commerce beside being a member of a specific union to which his business applied. A business with capital of less than JMP 50,000,000 was listed as a small business. All workers in factories and shops had to be recommended by the worker's union. Businesses with a capital of less than JMP 3,000,000 were not included in this requirement.

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